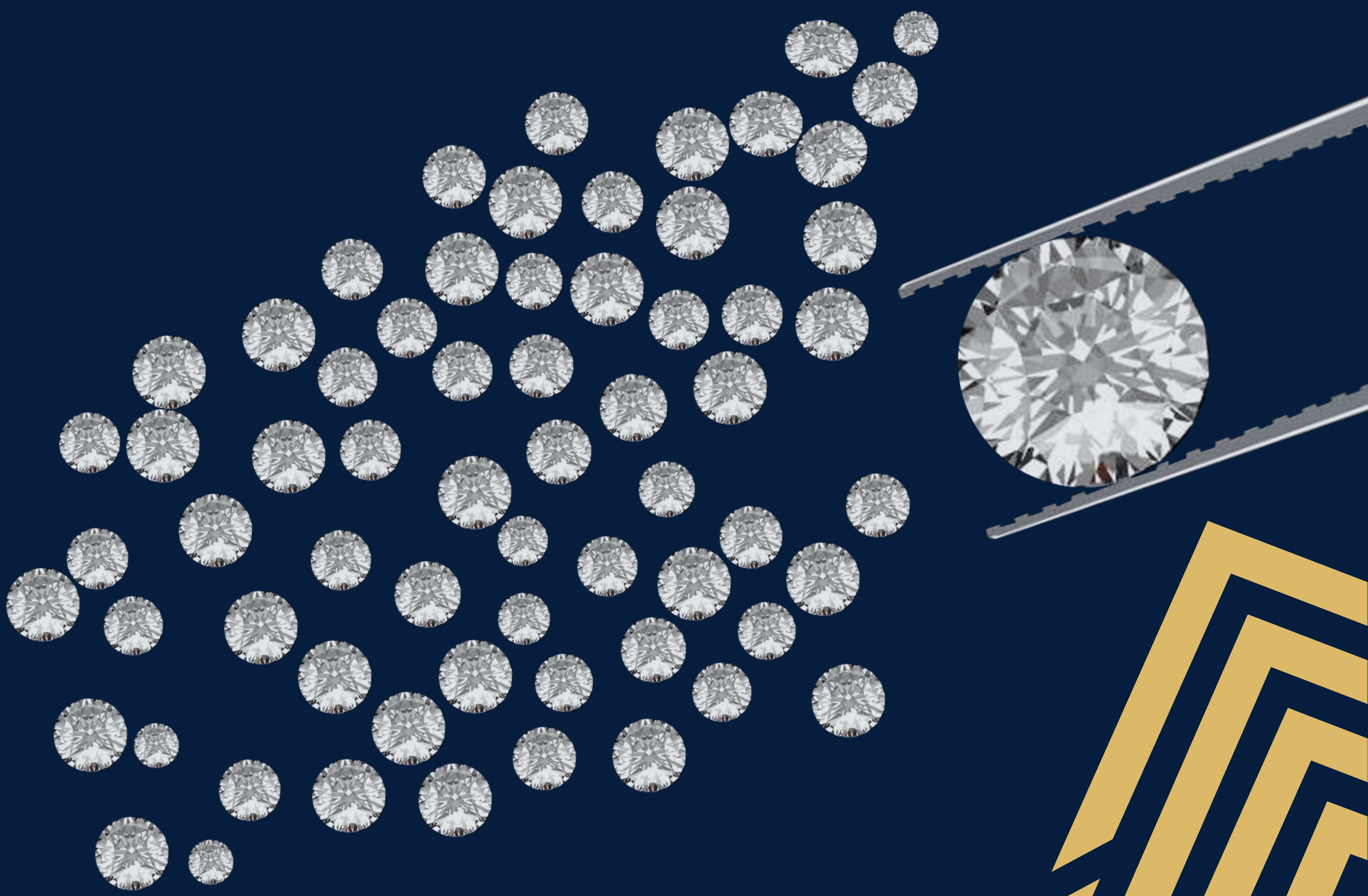
PGIM
India Portfolio
Management Services

Small today.
Large tomorrow.

PGIM INDIA
PHOENIX PORTFOLIO



Surjitt Singh Arora,
Portfolio Manager

A perfect blend of Structural and Cyclical plays

Dear Investor,

PERFORMANCE RECAP

Our portfolio delivered a return of 3.2% vs 5.2% for Nifty Mid-cap 100 Index and 6.0% for Nifty Small-cap 100 Index during the month of Mar'22. Our portfolio underperformed Nifty Mid-cap 100 Index by 200bps and Nifty Small-cap by 280bps mainly on account of our overweight stance on the Healthcare and Real Estate sectors. The underperformers were P&G Health, J.B. Chemicals, Sobha, Mayur Uniquoters, Jamna Auto and KPIT Technologies. The outperformers were recovery-based stocks like Trent, Phoenix Mills, Inox Leisure, Oberoi Realty and Indian Hotels.

On a one-year basis, the portfolio delivered a return of 32.9% vs 25.3% for Nifty Mid-cap 100 Index and 28.6% for Nifty Small-cap 100 Index, outperforming the Mid-cap index by 7.6% and Small-cap index by 4.3%. The portfolio outperformed the index mostly due to our stock selection in Communication, Materials as well as Real Estate Sectors and being overweight in Industrials and IT sectors.

INVESTMENT PROCESS

In this Investment Approach, we use a judicious mix of Structural and Cyclical companies

Structural:- India is a developing economy and market. There are a number of businesses which are unorganized and their penetration is very low. Hence, such companies can grow by gaining market share from other players and increased consumption once there is affordability and consumers become more aware. So Real Estate, Pharmaceuticals, IT Product companies, etc., have been a part of this theme. We believe some of tomorrow's multi-baggers will be from this space and hence, we have bought these companies with a long-term perspective.

Cyclical businesses:- There are many companies in the mid and small cap space which are market leaders in their segments and are profitable but cyclical businesses. For instance, companies in Manufacturing, Finance, Auto Ancillaries, Commodities, Textiles sectors etc. The thought here has been to be invested for a period of 3 to 5 years.

MARKET OUTLOOK

Rising risk-free rate (bond yield) is resulting in equity valuation contraction which is accentuated by the rise in systematic risk due to the geopolitical crisis. Systematic risk is receding as the global brinkmanship reduces (although far from over) over the Russia-Ukraine conflict while the effects of rising risk-free rate driven by rising inflation persist. However, as long as bond yields do not flare up significantly hereon and earnings growth trajectory continues driven by robust exports, pent-up demand and improving prospects for the investment and credit cycle, NIFTY50 index earnings yield could sustain at 5% level (P/E of 20x).

On the flip side, if the geopolitical situation continues to worsen, an extended period of elevated commodity prices is likely to further increase the input cost pressures felt over the past several quarters across sectors and could eventually impact aggregate demand (consumption). In this case, earnings outlook for most sectors which rely heavily on commodities as raw materials will get impacted. Extension of global supply side disruptions (container delays, semiconductor chip shortage, etc.) could further impact the earnings outlook.

PORTFOLIO OUTLOOK

The period of easy money is behind us. Investor expectations in terms of risk-adjusted returns need to be moderated and be more realistic. The year 2022 would put demands on temperament (read patience) and will put conviction to test. Hence, we have constructed our portfolio of Quality companies with stocks, where we have conviction to increase the weightage if they correct 10-15%.

In our view, the earnings upgrade cycle has taken a pause. There is a near-term headwind to earnings given the commodity pressures. However, from a medium to long-term perspective, we expect earnings to revive. We continue to hold a positive long-term outlook on the market, which is supported by broader economic recovery and improving credit growth.

Domestic story of reforms, relatively strong earnings growth and low debt position of Corporate India are the key positives for long-term equity investing. We continue to remain overweight on recovery plays i.e. Consumption, Real Estate and Industrials sector and underweight on Financials.

We continue to believe that investors with a 3 to 5-year view would benefit from investing in the current scenario.

Yours Sincerely

Surjitt Singh Arora

Top 15 Holdings of PGIM India Phoenix Portfolio as on March 31 2022

Date of Purchase	Equity	Sector	%
Sep-2021	Inox Leisure Ltd	Communication Services	8.79%
Sep-2021	Phoenix Mills Ltd	Real Estate	6.92%
Oct-2021	KPIT Technologies Ltd	Information Technology	6.42%
Oct-2021	Tata Consumer Products Ltd	Consumer Staples	5.61%
Oct-2020	KPR Mill Ltd	Consumer Discretionary	5.29%
Aug-2018	Carborundum Universal Ltd	Materials	4.50%
Sep-2021	Jamna Auto Industries Ltd	Consumer Discretionary	4.45%
Sep-2021	Trent Ltd	Consumer Discretionary	4.30%
Aug-2016	Oberoi Realty Ltd	Real Estate	4.23%
Aug-2016	Sobha Ltd	Real Estate	4.10%
Sep-2021	Affle India Ltd	Communication Services	4.05%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Health Care	4.00%
Jan-2020	Indian Hotels Company Ltd	Consumer Discretionary	3.95%
Dec-2021	Tata Chemicals Ltd	Materials	3.89%
Aug-2016	Federal Bank Ltd	Financials	3.85%
	Total		**74.35%**

Model Portfolio Details

Portfolio Details as on March 31st, 2022	
Weighted average RoE	5.64%
Portfolio PE (1-year forward)	29.88
Portfolio dividend yield	0.65%

Portfolio Composition as on March 31st, 2022	
Large Cap	5.00%
Mid Cap	33.50%
Small Cap	55.50%
Cash	6.00%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 2022

Midcap: Market cap below 100th company to the market cap of the 250th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 2022

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 2022

PGIM India Phoenix Portfolio Performance as on March 31st, 2022

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	3.22%	5.20%	6.01%
3 Months	-3.42%	-2.47%	-7.55%
6 Months	0.45%	-2.28%	-4.17%
1 Year	32.85%	25.32%	28.63%
2 Year	54.63%	59.33%	70.45%
3 Year	13.56%	17.59%	16.07%
5 Year	9.09%	11.54%	8.36%
Since Inception Date 01/08/2016	11.61%	13.12%	9.99%
Portfolio Turnover Ratio*	48.06%		

*Portfolio Turnover ratio for the period April 1st, 2021 to March 31st, 2022

The above holding represents top 15 holdings of PGIM India Phoenix Portfolio based on all the client portfolios under PGIM India Phoenix Portfolio existing as on the date stated above, excluding any temporary cash investments. The above holdings do not represent the model portfolio being offered to the clients (including prospective clients) and hence it is possible that these stocks may not be part of the portfolios constructed for new clients. The above holdings are for illustration purpose only and it should not be considered as investment recommendation or analysis or advice or opinion from the Portfolio Manager on the above mentioned stocks. The above portfolio holdings are provided on an "as is" basis, and the Portfolio Manager makes no express or implied warranties or representations with respect to the accuracy, completeness, reliability, or fitness of the above portfolio holdings or any financial results you may achieve from their use. In no event shall the Portfolio Manager, its directors or employees or its affiliates have any liability relating to the use of the portfolio holdings.

PGIM India Phoenix Portfolio - Annualised Performance as on March 31st, 2022				
	Current Year April 1, 2021 to March 31, 2022	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
PGIM India Phoenix Portfolio	32.85%	79.87%	-38.70%	-3.73%
Benchmark - NIFTY MIDCAP 100	25.32%	102.44%	-35.90%	-2.66%

Performance is calculated on Time Weighted Rate of Return (TWRR) basis

Important Disclosures regarding the consolidated portfolio performance: The performance related information provided herein is not verified by SEBI. Performance depicted as at the above stated date is based on all the client portfolios under PGIM India Phoenix Portfolio existing as on such date, using Time Weighted Rate of Return (TWRR) of each client. Past performance is no guarantee of future returns. The above portfolio performance is after charging of expenses (as depicted above). Return for period upto 1 year is absolute. Since inception date stated is considered to be the date on which the first live client investment was made under the strategy. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics or other structural parameters. These factors may have impact on client portfolio performance and hence may vary significantly from the performance data depicted above. Neither the Portfolio Manager, nor its directors or employees shall in any way be liable for any variation noticed in the returns of individual client portfolios. The Portfolio Manager does not make any representation that any investor will or is likely to achieve profits or losses similar to those depicted above.

Investment objective of PGIM India Phoenix Portfolio: The objective of the portfolio is to generate capital appreciation over the long term by investing in quality Mid and Small Cap Indian companies.

Disclaimers and risk factors: PGIM India Asset Management Private Limited is registered with SEBI (Portfolio Managers) Regulations, 1993 [as repealed and superseded by SEBI (Portfolio Managers) Regulations, 2020]. This Document is for information purpose only. This Document and the Information do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or the solicitation of an offer to buy or sell any securities/ schemes or any other financial products/investment products (collectively "Products") mentioned in this Document or an attempt to influence the opinion or behavior of the Investors/Recipients. Any use of the information contained herein for investment related decisions by the Investors/ Recipients is at their sole discretion & risk. Please read the Disclosure Document and the agreement along with the related documents carefully before investing. Investments in Products are subject to market risks, various micro and macro factors and forces affecting the capital markets and include price fluctuation risks. There is no assurance or guarantee/ warranty that the objectives of any of the Products will be achieved. The investments may not be suited to all categories of Investors/ Recipients. Investors/ Recipients must make their own investment decisions based on their own specific investment objectives, their financial position and using such independent professional advisors, as they believe necessary, before investing in such Products. The Client can avail the Portfolio Management Services directly from the Portfolio Manager without any recourse to distributors.

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This document is dated April 11, 2022. C04/2022-23